to hold and enjoy a leasehold estate that will outlast its own existence, provided it can be alienated at or prior to its dissolution. Moreover, the rule being that, in such a case as the one at bar, the personal covenant of the corporation to pay rent would not be enforceable against it after the expiration of its charter (*Lorillard* v. *Clyde*, 142 N. Y. 456, 37 N. E. 489, 24 L. R. A. 113, and cases there cited), it is not apparent that any sufficient reasons exist, based on the length of the term, to render the lease invalid."

BANKRUPTCY — DISCHARGE — FRAUD.—The question of fraud in conveyances made prior to July 1, 1898, cannot be determined in hearing an application by a bankrupt for his discharge in bankruptcy proceedings. The discharge of a bankrupt is personal to himself, and does not affect any lien, either by contract or judicial proceedings, upon his assets. *Paxton* v. *Scott* (Neb.), 92 N. W. 611.

A suit was instituted in a State court by the trustee of a voluntary bankrupt to set aside conveyances of real estate and to obtain the surrender of life insurance policies, once held by the bankrupt, and by him, prior to the passage of the Bankrupt Law, turned over to his wife. The State court dismissed the proceedings as to the land, but held that the insurance policies were a portion of the bankrupt's estate and should be turned over to the trustee. The bankrupt was discharged in the Federal District court, and a claim was then made in the State court that the discharge operated in bar of the proceedings there—that the entire question was *res judicata*, and that the State court had no jurisdiction to proceed further.

Per Hastings, C. J:

"We are not able to sustain this contention as to the effect of the discharge. A voluntary bankrupt may present his application for discharge within one month after he is adjudged a bankrupt, and must do so within twelve months. The hearing on this application will not ordinarily be stayed pending protracted litigation in other courts, it being the policy of the Bankrupt Law to secure the debtor's discharge as soon as consistent with justice. Low. Bankr. p. 302, and cases cited: *In re Crenshaw* (D. C.), 95 Fed. 633; *In re Cornell* (D. C.), 97 Fed. 29. The effect of the discharge is personal to the bankrupt, and it does not affect any lawful lien, charge, or incumbrance existing on his property, but judgment may be speedily entered thereon *in rem*. Low. Bankr. p. 314, citing *Long* v. *Bullard*, 117 U. S. 617, 6 Sup. Ct. 917, 29 L. Ed. 1004. The discharge of the bankrupt does not affect securities, and they are subject to a judgment or decree *in rem*, but the creditor applying for such remedy may be required to await the result of the bankrupt's discharge if the bankrupt or assignee insists upon it. If the creditor have an attachment or other lien, he may have a special judgment entered *in rem*. Low. Bankr. secs. 396, 397. The Bankruptcy Law was carefully designed to save all liens against property from being affected by the discharge, and its terms seem ample for that purpose. Section 14 [U. S. Comp. St. 1901, p. 3427] provides that the bankrupt shall be discharged on his application, unless he has—First, committed an offense punishable by imprisonment, as provided in the act (such offenses are only concealment of property from the trustee and making a false oath in connection with the bankruptcy proceedings); second, fraudulently, to conceal his true financial condition and

in contemplation of bankruptcy, concealed, or failed to keep, books of account, with records, from which his true condition might be ascertained. Evidently the decision of the Federal court as to the discharge in bankruptcy contained no adjudication as to whether or not there had been fraud in the transferring of these insurance policies to his wife; and it is equally clear that the equitable lien of the trustee upon the property involved, which he held by virtue of this action, if he could establish fraud in the transfers, was in no way affected by the personal discharge of the bankrupt. 'If a bill is pending against a bankrupt and others alleged to be fraudulent trustees for him, his discharge releases only him.' *Phelps* v. *Curts*, 80 Ill. 109."

RECEIVERS—AUTHORITY—OPERATING PLANT—LOSSES—EXPENSES—MISCONDUCT—ATTORNEY'S FEES.—A receiver of a manufacturing company was directed to sell certain machines, and hold the proceeds subject to the order of the court. He paid out the entire amount, however, for expenses in operating the plant. Without an order he sold other property and paid out the proceeds for expenses. *Held*, that in neither case was the authority inferrible from the instructions of the court and he should be charged with both items.

It was also held that where, by reason of his misconduct, the receiver was compelled to employ an attorney to represent him in the settlement of his accounts, he is properly chargeable with the attorney's compensation. *State Central Savings Bank* v. *Fanning Ball-Bearing Chain Co.* (Iowa), 92 N. W. 712.

Per Ladd, C. J.:

"The authorities agree that very little discretion is allowed a receiver in the matter of expenses, and generally he is not to be credited with payments of those incurred without leave of the court. Beach, Rec. sec. 750; *Patrick* v. *Eells* (Kan.), 2 Pac. 116; *In re Sheets Lumber Co.* (La.), 27 So. 809; *Cowdrey* v. *Railroad Co.*, 93 U. S. 352, 23 L. Ed. 950. It is not to be understood that the receivers must go to the court with every trifling matter. Modern practice permits them to exercise their sound discretion in many matters relating to the care and management of property in their custody, subject to the subsequent approval of the court, which will be given when the officer has acted in good faith, and what he has done appears to have been beneficial to the parties interested. Beach, Rec. sec. 269. See *U. S.* v. *Late Corporation of Church of Jesus Christ of Latter Day Saints* (Utah), 21 Pac. 506; *Railroad Co.* v. *Herndon* (Tex. Civ. App.) 33 S. W. 377; *Henry* v. *Henry* (Ala.), 15 South. 916. But this is done at their own risk. In so important a matter as the operation of a manufacturing plant, an order should be first obtained, and the receiver keep strictly within its limits."

And the following further extract from the opinion is an excellent summary of the general law:

"The extent of a receiver's authority is always to be measured by the order of appointment, and such subsequent directions as may from time to time be given. He must stand indifferent as between the parties, though appointed on the application of one of them, and prudently preserve and protect the property intrusted to him as an officer of the court. The property is in *custodia legis*, and the receiver acts for the court, as its creature or officer, having no powers save those conferred upon him by its orders, or reasonably to be implied there-